

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 297th MEETING OF THE BOARD OF COMMISSIONERS September 28, 2006
A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on September 28, 2006 at 9:30 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Paul MacDonald, Jason Fowler, Dave Gavitt, George Nee, Jeff Hirsh, Dale Venturini, Marianne Corr and Bernie Buonanno.

Jerry Massa and Patrick Butler were unable to attend

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Neil Schriever, PWCVB; Tim Muldoon, Julian Raveneau and Debbie Tuton, SMG/RICC; Larry Lepore, Eleanor SanAntonio and Cheryl Schadone, SMG/DDC; Steve Duvel and Larry Bacher, Gilbane; Andrea Stape, Providence Journal; Steve MacDonald, O. Ahlborg & Sons; Frank Champi, Sue Johnson and Michael Crawley, LGC&D; Robert Bromley, Senate Fiscal Office, and Eileen Smith, Recording Secretary. **CALL TO ORDER**

Recognizing a quorum, Chairman Duffy called the meeting to order at

9:33 a.m.

APPROVAL OF MINUTES Chairman Duffy entertained a motion to accept the minutes of the 296th meeting, August, 2006. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously **VOTED:** to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Chairman Duffy asked Mr. McCarvill to present the financial highlights. Mr. McCarvill reported on the Consolidated Operating Statement for the Authority. He said that the results for August were \$128,000 better than budget and year to date, \$270,000 better than budget. Mr. McCarvill stated that the actual 2006 to actual 2007 year to date comparison indicates (\$365,000) to the prior year. He noted that this was attributable to losses at the Dunkin' Donuts Center of (\$275,000) because of the shut down and a reduction in rental income and food and beverage at the Convention Center due to a less than favorable event mix.

Mr. Duffy stated that Ms. Sullivan had prepared a draft budget for review by the commissioners. Ms. Sullivan distributed the budget books. Ms. Sullivan included a summary section and proceeded to explain the summary. Mr. Duffy noted that the budget is for review by the Commissioners. Mr. McCarvill stated that the Budget Office will

work with us and we will come to an equitable agreement. He said that they will give us a target and we will do our best to meet expectations. Mr. Duffy noted that the budget is a work in progress and thanked Ms. Sullivan for doing a great job.

Chairman Duffy recognized the Chairman of the Audit Committee, Jeff Hirsh. Mr. Hirsh reported that the Audit Committee had met on Tuesday. He said that at the meeting Frank Champi, Sue Johnson and Michael Crawley had presented the 2006 Audited Financial Statements. Mr. Hirsh introduced Sue Johnson and asked her to address the Board. Ms. Johnson thanked everyone involved in this year's audit. She noted that a draft report had been sent to the Auditor General for approval. Ms. Johnson reported that the Auditor General had made some minor, clerical changes but nothing significant. Mr. Champi then addressed the Board and explained the audit report. Ms. Johnson reported on the operating results and noted that the changes were attributable to the purchase of the Dunkin' Donuts Center. She also noted that the rental income loss was attributable to the sale of the Westin. Mr. McCarvill thanked all the people that allowed this audit to be done on time. Mr. Hirsh also thanked everyone involved. Mr. Hirsh read the following statement;

Frank Champi, CPA and Susan Johnson, CPA, met with the Audit Committee and reviewed in detail the audited financial statements of the Authority as of June 30, 2006 and for the year then ended, focusing on critical events occurring during the year such as the

issuance of the \$34 million refunding bonds and \$92.5 million civic center bonds, reviewing operations of both the convention center and Dunkin Donuts Center since its acquisition, and reporting on both internal control and the Authority's compliance with laws, regulations, contracts and grants. After extensive questioning, it was moved by Jerry Massa, seconded by Jeff Hirsch, and unanimously voted to recommend that the Board of Commissioners approve the draft financial statements of the RI Convention Center Authority as of and for the year ended June 30, 2006, subject to final approval by the Auditor General of the State of Rhode Island."

Mr. Hirsh asked for a motion to accept the 2006 Audited Financial Statements. Upon a motion duly made by Mr. Fowler and seconded by Mr. Buonanno it was unanimously

VOTED: to accept the Fiscal Year 2006 Audited Financial Statements as approved by the Auditor General.

DUNKIN' DONUTS COMMITTEE

Chairman Duffy reported that Mr. Gavitt had been honored at the Rhode Island Commodore's breakfast earlier in the day. Committee Co-Chairman, Bernie Buonanno asked Mr. Lepore to report on events at the Dunk. Mr. Lepore thanked Mr. Mancuso for his assistance with the Fire Marshall. Mr. Lepore said that the American Idol show went very well. He said that ticket sales for James Blunt are good and that

the Cheetah Girls sold out. Mr. Lepore reported that The Contender should do well with Spina vs Manfredo as the main attraction. Mr. Lepore noted that some Interscholastic hockey games would be held at the facility and there has been talk of high school basketball. Mr. Lepore said that a great deal of work needs to be done in the next few weeks to get ready for the hockey season. New dashers and an ice dam will be installed and ice will be made in time for the October 13th P. Bruins game.

Mr. Duvel reported that the ice chiller has been installed and ice making begins tomorrow. Mr. Duvel stated that renovations would be moving to the outside shortly.

Ms. Bennett commended the Gilbane crew for the great job done with the building prior to the American Idol performance. She noted that the building was very clean and pictures and renderings were placed so that the public could get an idea of what will be done in the next phases of renovation. Mr. Bennett noted that she had met with the committee that is reviewing the public art for the facility. She said that 132 great submissions had been received and of those 4 artists were chosen to visit the site and submit proposals. The proposals are due in December. Ms. Bennett noted that the Rhode Island State Council for the Arts will make the final decision with input from the Authority. Ms. Bennett also noted that she had met with the veterans who would like to see the Wall of Honor stay in the City and not be placed in Exeter. Ms. Bennett reported on the successful hard hat

tour and the Authority's new web site.

Mr. Gavitt asked Steve MacDonald if Ahlborg had any issues. Mr. MacDonald reported that Steve Duvel had pulled out all the stops in getting the building ready for American Idol.

CONVENTION CENTER COMMITTEE

Mr. Massa reported that the Convention Center, as part of the Capital Improvement Plan, had engaged RGB and MND to explore opportunities for the under utilized space in the west lobby. Mr. Muldoon said that RGB and MND had presented their conceptual design at the Convention Center Committee meeting on Tuesday. Mr. Massa noted that the design was for a ground level ballroom utilizing the large windows and natural lighting. He said that the design was beautiful but there were some questions on costs to implement the design, its effect on the existing space in the building and function space inventory in the immediate area. Mr. Muldoon stated that a study will be done to answer those questions and provide a cost estimate to the Convention Center Committee.

Mr. Massa noted that RGB and MND had also presented their view of an enhanced Junior Ballroom. Mr. Massa indicated the design board presented at the Convention Center Committee meeting. Mr. Muldoon estimated the cost to the lighting enhancements to be approximately \$75,000. Mr. Muldoon stated that he was confident that

this would be a home run. Mr. MacDonald noted that Mr. Massa's appeared very enthusiastic about the project. Upon a motion duly made by Mr. Gavitt and seconded by Ms. Venturini it was unanimously

VOTED: to authorize as Mr. Muldoon to proceed with the lighting enhancements to the Junior Ballroom.

Mr. Massa reported that the third exit lane from the South Garage would be operational by November 1st.

MARKETING COMMITTEE

Ms. Venturini reported that the Marketing Committee had met on September 15th. She noted that the meeting was dedicated to highway and street signage. Ms. Venturini reported that Thom Deller, Providence Planning Department and Ed Parker, RIDOT were in attendance. Ms. Venturini said that Mr. Parker had agreed to place signs on both sides of Rt. 95 and review other sites when construction is complete. Ms. Venturini reported that the PWCVB had volunteered to perform an inventory of City signage with a view towards easier navigation within the City. Mr. Schriever said that the CVB staff is already taking photos in the City.

Mr. Duffy asked Mr. Schriever to update the Board on properties that will be coming on- line. Mr. Schriever stated that the Holiday Inn will change its flag to a Hilton at the beginning of the year and that Shula's Steak House will open in the first quarter. He said that the Renaissance at the Masonic Temple is scheduled to open in February although the restaurant opens in December. Mr. Schriever noted that we will now have a complete compliment of Marriott properties in the market. Mr. Duffy noted that this is very exciting. Mr. Schriever stated that there is a lot of enthusiasm for the area.

Mr. Muldoon reported that the Convention Center had been awarded a Prime Site award for the tenth consecutive year. He reported on upcoming events at the Convention Center and cooperative marketing with the Dunkin' Donuts Center.

Ms. Schadone congratulated Gilbane and the building staff for all their hard work getting ready for American Idol. Ms. Schadone reported that the internship program is going well and that Hope High School Principals had chosen a great group of kids to participate. She noted that they were filming a P. Bruins pre-season game at the Ryan Center to prepare for the home opener. Ms. Schadone also reported on the Festival of Trees. She said that Dunkin' Donuts had agreed to be a major sponsor. Ms. Schadone said that the zoo would be the prime beneficiary of the event but that she would like to find a way to incorporate Citizen's Bank heating program. Mr. Buonanno inquired about the luxury suites. Ms. Schadone responded that she

is working on sales materials and preparing a list of target firms. She said that the packages should be in place by the end of October.

Ms. Bennett reported that a luncheon with the Athletic Directors of the Colleges and Universities in the State will be held on Tuesday. She said that we will offer our assistance in hosting athletic events and tournaments and listen to their ideas for new events.

Ms. Venturini thanked Mr. Gavitt for his comments made to the Commodores today. Ms. Venturini encouraged the Authority to come out publicly on the Casino issue. Mr. Duffy said that although we have great concern we have an obligation to our stakeholders.

Hearing no further business Mr. Duffy entertained a motion to adjourn. Upon a motion duly made by Ms. Venturini and seconded by Mr. Fowler it was unanimously

VOTED: to adjourn at 11:10 a.m.